[*English Translation*]

TOKIO MARINE HOLDINGS, INC.

Attachment to the "Notice of Convocation of the 12th Ordinary General Meeting of Shareholders"

Business Report for the Fiscal Year Ended March 31, 2014

(From April 1, 2013 to March 31, 2014)

1. Matters Concerning the Insurance Holding Company

(1) Business Developments and Results for Tokio Marine Group

During the fiscal year ended March 31, 2014, the world economy generally trended toward gradual recovery as the U.S. economy improved and European economies picked up.

In Japan, the economy gradually improved amid the depreciation of the yen and rising share prices. In the property and casualty insurance sector, a recovering profitability trend can be observed in auto insurance. In the life insurance sector, decline in the amount of life insurance-in-force continued.

Against this backdrop, Tokio Marine Group (the "Group") is actively developing its business to achieve the "Innovation and Execution 2014" medium-term business strategy with a vision of becoming a "global insurance group maintaining growth by offering quality that customers select."

Positive factors such as improved insurance underwriting at home and abroad, business recovery at home and abroad, and the progression of the depreciation of the yen contributed to record-high profits for two consecutive years.

(Yen in billions, except for %)

	Year ended March 31, 2013	Year ended March 31, 2014	Difference (%)
Ordinary income	3,857.7	4,166.1	108.0
Net premiums written	2,558.0	2,870.7	112.2
Life insurance premiums	399.8	378.0	94.5

Ordinary profit	207.4	274.3	132.3
Net income	129.5	184.1	142.1

Ordinary income and ordinary profit for each business segment are as follows:

(Yen in billions)

Business segment	Ordinary income		Ordinary profit	
	Year ended March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013	Year ended March 31, 2014
Domestic property and casualty insurance	2,470.4	2,436.3	167.0	116.7
Domestic life insurance	689.5	542.9	20.0	28.5
Overseas insurance	807.0	1,162.9	37.9	123.2
Financial and other	72.9	75.1	-17.5	5.7

Domestic Property and Casualty Insurance Business

The following is a discussion of Tokio Marine and Nichido Fire Insurance Co., Ltd.'s ("Tokio Marine & Nichido") operating results for the fiscal year ended March 31, 2014. Net premiums written were 1,966.3 billion yen, a year-on-year increase of 5.2 percent. Ordinary profit was 146.5 billion yen, a decrease of 9.5 billion yen as compared to the previous fiscal year, mainly attributable to natural causes, such as snow damage. On the other hand, net income was 90.8 billion yen, an increase of 32.1 billion yen as compared to the previous fiscal year, owing to a decrease of extraordinary losses.

Tokio Marine & Nichido continuously boosted profitability through efforts to improve business efficiency and revise auto insurance premium rates in accordance with different risk profiles. Tokio Marine & Nichido also strengthened its sales base through measures such as sales of Super Insurance, an insurance product integrating life and non-life insurance.

Regarding asset management, Tokio Marine & Nichido aimed to ensure stable earnings and asset liquidity as part of its efforts to maintain a sound financial base through risk management. To improve capital efficiency, Tokio Marine & Nichido continued its sale of equities held for business-relationship-related reasons.

According to media reports in February 2014, there was a possibility that Tokio Marine & Nichido had failed to pay extra expense claims for auto insurance between April 2002 and June 2003. After determining Tokio Marine & Nichido's treatment of the claims at the time was appropriate, the company voluntarily decided to inform customers it would pay any claims from that period that proved to be valid.

In May 2013, Tokio Marine & Nichido and the National Mutual Insurance Federation of Agricultural Cooperatives agreed to begin specific discussions on a comprehensive business collaboration, and discussions on and review of a broad array of topics have been underway since then. In March 2014, the parties agreed to collaborate in the field of agricultural risk and officially announced the agreement.

With respect to the operating results of Nisshin Fire & Marine Insurance Co., Ltd. (“Nisshin Fire”) for the fiscal year ended March 31, 2014, net premiums written were 137.2 billion yen, representing a decrease of 1.1 percent from the previous fiscal year. Ordinary profit was 4.7 billion yen, an increase of 0.1 billion yen as compared to the previous fiscal year, and net income was 3.3 billion yen, an increase of 0.7 billion yen as compared to the previous fiscal year. Nisshin Fire has worked to improve the quality of business and many other aspects of operation with an aim to use the Group’s strength to become the most familiar and trusted retail property and casualty insurance company.

Domestic Life Insurance Business

As of March 31, 2014, Tokio Marine & Nichido Life Insurance Co., Ltd. (“Tokio Marine & Nichido Life”) had 533.3 billion yen in annualized premiums of life insurance-in-force, a year-on-year increase of 13.4 percent, while the annualized premiums of newly signed life insurance were 95.0 billion yen, a year-on-year increase of 17.8 percent. We achieved these increases by launching new products, strengthening the integration of life and non-life insurance, and other efforts. Ordinary profit was 24.7 billion yen, a decrease of 11.9 billion yen, mainly attributable to an increase of liability reserves due to reducing the rate of interest, and net income was 10.7 billion yen, a decrease of 3.1 billion yen, each compared to the previous fiscal year.

In July 2013, Tokio Marine & Nichido Life reached four million policies-in-force for personal insurance and personal pension insurance. In October 2013, Tokio Marine & Nichido Life took another step to enhance convenience for customers by introducing paperless application procedures using tablet PCs and other such devices for face-to-face sales by agents and employees.

In March 2014, Tokio Marine & Nichido Life sold its 260,000th contract for Medical Kit R, a well-reputed medical insurance product that pays out benefits to policyholders if they are hospitalized or undergo surgery and rewards policyholders who are healthy at a certain age by returning remaining amounts of accumulated premiums paid in. In February 2014, Tokio Marine & Nichido Life launched Medical Kit Love R, a policy that pays out benefits to policyholders with pre-existing medical conditions such as chronic disease or a history of hospitalization.

Tokio Marine & Nichido Financial Life Insurance Co., Ltd. ("Tokio Marine & Nichido Financial Life") had 2,369.6 billion yen in life insurance-in-force, ordinary profit of 10.4 billion yen, and net income of 10.4 billion yen, as of March 31, 2014.

In October 2013, Tokio Marine & Nichido Life and Tokio Marine & Nichido Financial Life agreed to merge to improve business efficiency, subject to approval of the relevant authorities.

Overseas Insurance Business

The Group actively developed its overseas insurance business with the aim of global growth and risk diversification. As a result, both in developed and developing markets, premium income and profit increased significantly, and ordinary profit was 123.2 billion yen, an increase of 85.3 billion yen as compared to the previous fiscal year, contributing significantly to increased profit for the Group.

PHLY, a U.S. property and casualty insurance group, increased new contracts and increased the insured amount for renewed contracts amid a gradual economic recovery. As a result, PHLY's amount of net premium was 2.47 billion U.S. dollars (260.8 billion yen), a 10.7 percent increase compared to the previous fiscal year. Delphi, a U.S. insurance group consolidated with the Group since July 2012, increased sales of employee benefit-related insurance, its leading product. As a result, its combined premium income for life insurance and property and casualty insurance was 1.68 billion U.S. dollars (178.0 billion yen), a 111.2 percent increase compared to the previous fiscal year. Kiln, a U.K. insurance group, maintained its disciplined underwriting amid a downward trend in premium rates. As a result, Kiln's net premiums written during the fiscal year 2013 were 0.52 billion British pounds (90.5 billion yen), an increase of 1.1 percent compared to the previous fiscal year. Tokio Millennium Re AG, a reinsurance company, recorded a 7.1 percent year-on-year increase in net premiums written to 0.77 billion U.S. dollars (82.0 billion yen) for the fiscal year 2013, mainly thanks to expanded underwriting of risks (excluding natural disasters) and expanded underwriting in Europe and Australia.

In emerging markets, the Group steadily increased premium income from both life insurance and property and casualty insurance in Asian markets such as Singapore, Malaysia, and Thailand. In Brazil, the Group increased significant premium income in auto insurance, a leading product in the Brazil market, by merging two subsidiaries in June 2013 to improve both business efficiency and capital efficiency.

Financial and Other Business

The Group developed its financial services business steadily, with a focus on the fee-based asset management business, which offers a stable revenue base. Such fee-based business includes the management of pension funds and the management of investment trusts by Tokio Marine Asset Management Co., Ltd. In November 2013, Tokio Marine & Nichido established Tokio Marine Mezzanine Company, Limited, a new firm specialized in mezzanine investments, and promoted business activities to expand investment trusts. As to its other general businesses, the Group continued to engage in temporary staffing services, property management services and other business.

CSR

Tokio Marine & Nichido has been promoting the “Green Gift” project as an initiative to help protect the global environment. The Green Gift project seeks to reduce the use of paper resources by requesting customers to view their insurance contracts, etc. online, on the Tokio Marine & Nichido website. Tokio Marine & Nichido uses a part of the expenses saved by this reduction of paper resource use to support mangrove planting activities mainly in Southeast Asia and domestic environmental conservation activities. Tokio Marine & Nichido has continuously taken part in volunteer programs to support disaster-afflicted areas, including programs to support the revitalization of the coastal forest in Watari-cho, Miyagi Pref.

Issues Facing the Group

In the fiscal year ending March 31, 2015, we expect the gradual improvement of the world economy to continue overall, mainly due to the ongoing recovery expected in the U.S. economy thanks to expanded personal consumption and capital investment.

The Japanese economy is forecast to keep its upward momentum amid the financial and monetary policy measures known as Abenomics despite the negative impact of the consumption tax increase. In domestic insurance, the general trend toward recovery is expected to contribute to market expansion, while sales of new automobiles and housing construction are fascinated with the decrease by the consumption tax increase.

In this environment, the Group as a whole will focus on achieving “Innovation and Execution 2014,” the medium-term business strategy now in its final stage.

In our core business of domestic property and casualty insurance, the Group will continue to maintain the 95% target for its combined ratio, a barometer of profitability in the property and casualty insurance business, through the realization of the effects of rate revisions and product revisions, together with the improved business efficiency. The Group also intends to strengthen risk management in consideration of the rising frequency of large-scale natural disasters in recent years. We plan to pursue industry-leading growth by developing new markets through various activities such as the establishment of new agents, the promotion of sales of Super Insurance, and improved ratios of policy renewals using tablet PCs.

In the domestic life insurance business we will aim at continued growth in response to the rising need for guaranteed living expenses, mainly by promoting Life Insurance Revolution to Protect One’s Living, a product that indemnifies work disability, medical treatment, and nursing care, etc., and by working through various sales channels centered on property and casualty insurance agents.

In the overseas insurance business, the Group will aim for sustainable growth and profit expansion by promoting a growth strategy well-balanced between developed markets and emerging countries, direct insurance and reinsurance, property and casualty insurance and life insurance, and so forth.

The Group aims to further enhance Enterprise Risk Management (ERM) by promoting investment in businesses with high capital efficiency and by promoting risk diversification on a global scale. Through these efforts, we intend to maintain financial soundness, a key strength of the Group, while enhancing our efforts for sustained profit growth and improved capital efficiency.

The Group intends to improve shareholder returns by distributing dividends and other measures and will seek to increase dividends by improving profitability.

Under our management philosophy to place “customer trust at the base of all its activities”, the entire Group will endeavor to achieve further growth as a corporate group, seeking growth characterized by high profitability, sustainability and soundness. We plan to build up a “Good Company” that is trusted widely by customers and society. The management would like to express its sincere appreciation to all shareholders of Tokio Marine Holdings for their continued guidance and support.

Note 1: Throughout this Business Report, all amounts (including numbers of shares) are truncated and all ratios are rounded to one decimal place.

Note 2: Numbers that appear as ordinary income and ordinary profit for each business segment are before adjustments made to record ordinary income and ordinary profit in the consolidated statement of income.

Note 3: The yen-denominated amounts of net premiums written of PHLY, Delphi, Kiln, and Tokio Millennium Re AG are calculated at exchange rates in effect as of the end of December 2013.

Note 4: “PHLY” means the corporate group comprised of Philadelphia Consolidated Holding Corporation and its subsidiaries. “Delphi” means the corporate group comprised of Delphi Financial Group Inc. and its subsidiaries. “Kiln” means the corporate group comprised of Tokio Marine Kiln Group Limited and its subsidiaries.

Note 5: Mezzanine is a general term for a fundraising method using middle-risk, middle-return investment instruments such as subordinated loans and preferred stock.

Note 6: The combined ratio is a measure of profitability for a property and casualty insurance company. Specifically, it is the ratio of claims and operating expenses (numerator) as a percentage of premiums (denominator). The ratio is 100% when the balance of payments is in equilibrium.

(2) Four Year Summary of Assets and Earnings of the Group and the Insurance Holding Company

a. The Group's summary of assets and earnings

(Yen in millions)
(Fiscal years ended March 31)

	2011	2012	2013	2014
Ordinary income	3,288,605	3,415,984	3,857,769	4,166,130
Ordinary profit	126,587	160,324	207,457	274,386
Net income	71,924	6,001	129,578	184,114
Comprehensive income	-196,554	-10,558	548,251	442,277
Net assets	1,904,477	1,857,465	2,363,183	2,739,114
Total assets	16,528,644	16,338,460	18,029,442	18,948,000

b. The Insurance Holding Company's summary of assets and earnings

(Yen in millions, except per share amounts)
(Fiscal years ended March 31)

	2011	2012	2013	2014
Operating income	127,806	83,955	48,718	19,442
Dividends received	120,892	77,872	42,798	13,106
Insurance subsidiaries	120,156	76,017	41,898	11,600
Other subsidiaries	735	1,854	900	1,506
Net income	80,226	62,110	41,860	12,384
Net income per share of common share	103.16 yen	80.98 yen	54.57 yen	16.14 yen
Total assets	2,482,926	2,506,933	2,509,192	2,478,082
Share of insurance subsidiaries	2,380,355	2,412,091	2,421,006	2,374,845
Share of other subsidiaries	62,457	71,558	75,081	81,718

(3) The Group's Principal Offices (As of March 31, 2014)

a. The Company

	Location	Established as of
Head Office	2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	April 2, 2002

Note: The date shown above is the date of incorporation.

b. Subsidiaries and affiliates

Business segment	Company name	Office name		Location	Established as of
Domestic property and casualty insurance	Tokio Marine & Nichido	Head Office		2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	March 20, 1944
		Hokkaido	Hokkaido Branch and 6 other branches		
		Tohoku	Sendai Branch and 9 other branches		
		Kanto	Tokyo Central Branch and 31 other branches		
		Tokai and Hokuriku	Aichi South Branch and 25 other branches		
		Kansai	Osaka South Branch and 24 other branches		

		Chugoku and Shikoku	Hiroshima Branch and 14 other branches		
		Kyushu	Fukuoka Central Branch and 13 other branches		
	Nisshin Fire	Head Office (Tokyo Head Office), Saitama Head Office		3, Kandasurugadai 2-chome, Chiyoda-ku, Tokyo, Japan	June 10, 1908
Domestic life insurance	Tokio Marine & Nichido Life	Head Office		2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo, Japan	August 6, 1996
	Tokio Marine & Nichido Financial Life	Head Office		2-1, Kamiogi 1-chome, Suginami-ku, Tokyo, Japan	August 13, 1996
Overseas insurance	Philadelphia Consolidated Holding Corp.	Head Office		Bala Cynwyd, Pennsylvania, U.S.A.	July 6, 1981
	Delphi Financial Group, Inc.	Head Office		Wilmington, Delaware, U.S.A.	May 27, 1987
	Tokio Marine Kiln Group Limited	Head Office		London, U.K.	July 11, 1994
Financial and other	Tokio Marine Financial Solutions Ltd.	Head Office		George Town, Cayman Islands	December 4, 1997

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. "Office name" is the name of the principal office.

3. "Location" is the location of the head office.

4. The dates shown above are the date of incorporation.

(4) The Group's Employees

Business segment	As of March 31, 2013	As of March 31, 2014	Increase (decrease)
Domestic property and casualty insurance	20,159	20,051	(108)
Domestic life insurance	2,284	2,315	31
Overseas insurance	9,075	9,500	425
Financial and other	1,488	1,444	(44)
Total	33,006	33,310	304

(5) The Group's Principal Lenders (As of March 31, 2014)

Business segment	Company name	Lender	Balance of loan
Domestic property and casualty insurance	Tokio Marine & Nichido	Syndicated loan	100,000 million yen
		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	133,796 million yen

Note: The arranger of the syndicated loan is The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(6) The Group's Financing Activities

None.

(7) The Group's Capital Investment Activities

a. Total investment in facilities

Business segment	Amount
Domestic property and casualty insurance	11,017 million yen
Domestic life insurance	793 million yen
Overseas insurance	3,008 million yen
Financial and other	435 million yen
Total	15,255 million yen

Notes: 1. "Amount" is the aggregate amount of investment in facilities for the fiscal year ended March 31, 2014.

2. Yen amounts include certain capital expenditures in other currencies which were converted into yen based on exchange rates as of the closing date of the fiscal year of the Company.

b. New construction of major facilities and other
None.

(8) Parent Company and Major Subsidiaries (As of March 31, 2014)

a. Parent company
None.

b. Major subsidiaries and affiliates accounted for by the equity method

Company name	Location	Major business	Date of incorporation	Paid-in capital (Yen in millions)	Ratio of Tokio Marine Holdings's voting rights	Notes
Tokio Marine & Nichido Fire Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	Mar. 20, 1944	101,994	100.0%	-
Nisshin Fire & Marine Insurance Co., Ltd.	Tokyo, Japan	Property and casualty insurance	June 10, 1908	20,389	100.0%	-
E. design Insurance Co., Ltd.	Tokyo, Japan	Property and casualty	Jan. 26, 2009	20,453	86.5%	-

		insurance				
Tokio Marine & Nichido Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 6, 1996	55,000	100.0%	-
Tokio Marine & Nichido Financial Life Insurance Co., Ltd.	Tokyo, Japan	Life insurance	Aug. 13, 1996	68,000	100.0%	-
Tokio Marine Millea SAST Insurance Co., Ltd.	Kanagawa, Japan	Small-amount short-term insurance	Sept. 1, 2003	1,595	100.0%	-
Tokio Marine North America, Inc.	Wilmington, Delaware, U.S.A.	Holding company	June 29, 2011	0	100.0% (100.0)	-
Philadelphia Consolidated Holding Corp.	Bala Cynwyd, Pennsylvania, U.S.A.	Holding company	July 6, 1981	0	100.0% (100.0)	-
Philadelphia Indemnity Insurance Company	Bala Cynwyd, Pennsylvania, U.S.A.	Property and casualty insurance	Feb. 4, 1927	370	100.0% (100.0)	-
First Insurance Company of Hawaii, Ltd.	Honolulu, Hawaii, U.S.A.	Property and casualty insurance	Aug. 6, 1982	439	100.0% (100.0)	-
Tokio Marine America Insurance Company	New York, New York, U.S.A.	Property and casualty insurance	Aug. 13, 1998	514	100.0% (100.0)	-
Delphi Financial Group, Inc.	Wilmington, Delaware, U.S.A.	Holding company	May 27, 1987	0	100.0% (100.0)	-
SIG Holdings, Inc.	Wilmington, Delaware, U.S.A.	Holding company	Oct. 3, 1995	0	100.0% (100.0)	-
Safety National Casualty Corporation	St. Louis, Missouri, U.S.A.	Property and casualty insurance	Nov. 28, 1942	3,087	100.0% (100.0)	-
Reliance Standard Life Insurance Company	Chicago, Illinois, U.S.A.	Life insurance	Apr. 2, 1907	5,763	100.0% (100.0)	-

Reliance Standard Life Insurance Company of Texas	Houston, Texas, U.S.A.	Life insurance	Aug. 16, 1983	72	100.0% (100.0)	-
Tokio Marine Kiln Group Limited	London, U.K.	Holding company	July 11, 1994	173	100.0% (100.0)	-
Kiln Underwriting Limited	London, U.K.	Property and casualty insurance	June 13, 1994	0	100.0% (100.0)	-
Tokio Millennium Re (UK) Limited	London, U.K.	Property and casualty insurance	Oct. 30, 1990	21,413	100.0% (100.0)	-
Tokio Marine Underwriting Limited	London, U.K.	Property and casualty insurance	Oct. 27, 2008	0	100.0% (100.0)	-
Tokio Millennium Re AG	Zurich, Switzerland	Property and casualty insurance	Mar. 15, 2000	26,442	100.0% (100.0)	-
Tokio Marine Bluebell Re Limited	Douglas, Isle of Man	Life insurance	Mar. 8, 2007	14,000	100.0%	-
Tokio Marine Asia Pte. Ltd.	Singapore, Singapore	Holding company	Mar. 12, 1992	49,791	100.0%	-
Asia General Holdings Limited	Singapore, Singapore	Holding company	Feb. 24, 1971	6,142	92.4% (92.4)	-
Tokio Marine Insurance Singapore Ltd.	Singapore, Singapore	Property and casualty insurance	July 11, 1923	8,190	100.0% (100.0)	-
Tokio Marine Life Insurance Singapore Ltd.	Singapore, Singapore	Life insurance	May 21, 1948	2,948	85.7% (85.7)	-
Tokio Marine Insurans (Malaysia) Berhad	Kuala Lumpur, Malaysia	Property and casualty insurance	Apr. 28, 1999	12,720	100.0% (100.0)	-
Tokio Marine Life Insurance Malaysia Bhd.	Kuala Lumpur, Malaysia	Life insurance	Feb. 11, 1998	3,152	100.0% (100.0)	-
Edelweiss Tokio Life Insurance Company Limited	Mumbai, India	Life insurance	Nov. 25, 2009	3,098	26.0% (26.0)	-
Tokio Marine Seguradora	Sao Paulo,	Property and	June 23, 1937	22,472	97.7%	-

S.A.	Brazil	casualty insurance			(97.7)	
Tokio Marine Financial Solutions Ltd.	George Town, Cayman Islands	Derivatives business	Dec. 4, 1997	1,884	100.0% (100.0)	-

Notes: 1. This table sets forth major subsidiaries and affiliates accounted for by the equity method.

2. Tokio Marine America Insurance Company is included in the table due to an increase in importance.

3. Kiln Group Limited was renamed Tokio Marine Kiln Group Limited as of Jan. 2, 2014.

4. Tokio Millennium Re Ltd. was renamed Tokio Millennium Re AG as of Oct. 15, 2013.

5. Tokio Marine Insurans (Malaysia) Berhad is included in the table due to an increase in importance.

6. The yen amounts of paid-in capital of subsidiaries and affiliates located outside Japan have been translated at the currency exchange rate as of the closing date of the fiscal year of the Company.

7. Figures in brackets shown under Tokio Marine Holdings's voting rights reflect Tokio Marine Holdings's indirectly held ownership ratio in the respective subsidiary.

(9) The Group's acquisition and transfer of business

None.

(10) Other Important Matters Concerning the Current State of the Group

None.

2. Matters Concerning Directors and Audit & Supervisory Board Members

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2014)

Name	Position and assigned duties	Other major occupations and other matters
Shuzo Sumi	Representative Director and Chairman of the Board	Representative Director and Chairman of the Board of Tokio Marine & Nichido
Tsuyoshi Nagano	Representative Director and President	Representative Director and President of Tokio Marine & Nichido
Takaaki Tamai	Representative Director and Executive Vice President Overall supervision of overseas insurance business; in charge of International Business Development Dept. (management of European regions and reinsurance	Executive Vice President of Tokio Marine & Nichido

	operations)	
Masashi Oba	Representative Director and Managing Director Chief Financial Officer (CFO); in charge of Corporate Planning Dept., Domestic Business Development Dept., Personnel Planning Dept. and IT Planning Dept.	-
Hirokazu Fujita	Managing Director In charge of Financial Planning Dept. and Corporate Accounting Dept.	Managing Director of Tokio Marine & Nichido
Takashi Ito	Managing Director Chief Risk Officer (CRO); in charge of Risk Management Dept., Legal Dept., Internal Control Dept. and Internal Audit Dept.	Managing Director of Tokio Marine & Nichido
Kunio Ito	Director (outside director)	Professor, Graduate School of Commerce and Management, Hitotsubashi University Director of Mitsubishi Corporation (outside director) Director of Sumitomo Chemical Company, Limited (outside director) Director of Akebono Brake Industry Co., Ltd. (outside director) Director of Kobayashi Pharmaceutical Co., Ltd. (outside director)
Akio Mimura	Director (outside director)	Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation Director of Japan Post Holdings Co., Ltd. (outside director) Director of Development Bank of Japan Inc. (outside director) Director of the Innovation Network Corporation of Japan (outside director) Director of Nisshin Seifun Group Inc. (outside director) Chairman of The Japan Chamber of Commerce and Industry Chairman of The Tokyo Chamber of Commerce and Industry
Toshifumi Kitazawa	Director	Representative Director and President of Tokio Marine & Nichido Life

Mikio Sasaki	Director (outside director)	Senior Corporate Advisor of Mitsubishi Corporation Director of Mitsubishi Motors Corporation (outside director) Director of Mitsubishi Electric Corporation (outside director) Director of Mitsubishi Research Institute, Inc. (outside director)
Toshiro Yagi	Audit & Supervisory Board Member (Full-time)	-
Toshiki Ohashi	Audit & Supervisory Board Member (Full-time)	Mr. Ohashi, as a director of Tokio Marine & Nichido Life, was in charge of accounting department and has expertise in finance and accounting.
Hiroshi Fukuda	Audit & Supervisory Board Member (outside audit & supervisory board member)	Attorney-at-law
Yuko Kawamoto	Audit & Supervisory Board Member (outside audit & supervisory board member)	Professor, Waseda Graduate School of Finance, Accounting and Law Director of Mitsubishi UFJ Financial Group, Inc. (non-management director) Director of Japan Exchange Group, Inc. (outside director)
Akinari Horii	Audit & Supervisory Board Member (outside audit & supervisory board member)	Director and Special Advisor of The Canon Institute for Global Studies

Notes: 1. Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Mr. Toshifumi Kitazawa retired from his position as the President of Tokio Marine & Nichido Life effective as of March 31, 2014. Mr. Toshifumi Kitazawa assumed his position as an Executive Vice President of Tokio Marine & Nichido effective as of April 1, 2014.

3. Dr. Kunio Ito, Mr. Akio Mimura, Mr. Mikio Sasaki, Mr. Hiroshi Fukuda, Ms. Yuko Kawamoto and Mr. Akinari Horii are “independent directors/auditors” as specified by the Tokyo Stock Exchange, Inc.

(2) Remuneration and Other Compensation to Directors and Audit & Supervisory Board Members

	Number of persons to receive remuneration and other compensation	Remuneration and other compensation
Directors	11 persons	321 million yen
Audit & Supervisory Board Members	5 persons	101 million yen
Total	16 persons	423 million yen

Notes: 1. "Number of persons to receive remuneration and other compensation" includes one director who retired from office at the close of the 11th ordinary general meeting of shareholders held on June 24, 2013.

2. "Remuneration and other compensation" includes the amounts paid to the director referred to in Note 1 above.

3. Remuneration in connection with share acquisition rights granted to directors is 61 million yen.

4. Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders is described below.

	Maximum amount of remuneration as determined by the resolution of the general meeting of shareholders
Directors	Monthly remuneration: 25 million yen per month Remuneration in connection with share acquisition rights: 70 million yen per year
Audit & Supervisory Board Members	Monthly remuneration: 12 million yen per month
Total	Monthly remuneration: 37 million yen per month Remuneration in connection with share acquisition rights: 70 million yen per year

3. Matters Concerning Outside Directors and Outside Audit & Supervisory Board Members

(1) Other Assignments (As of March 31, 2014)

Other occupations of outside directors and outside audit & supervisory board members are as described above in "2. Matters Concerning Directors and Audit & Supervisory Board Members (1) Directors and Audit & Supervisory Board Members (As of March 31, 2014)." From among the entities where outside directors and outside audit & supervisory board members have other occupations, the Company has listed its shares on Tokyo Stock Exchange Inc., a subsidiary of Japan Exchange Group, Inc. Insurance subsidiaries of the Company conduct considerable amounts of insurance-related transactions with Mitsubishi Corporation, Kobayashi Pharmaceutical Co., Ltd., Nippon Steel & Sumitomo Metal Corporation, Nisshin Seifun Group Inc., Mitsubishi Motors Corporation and Mitsubishi Electric Corporation.

(2) Principal Activities

Name	Current term in office	Attendance of board meetings etc.	Major activities including the remarks made at board meetings etc.
Kunio Ito (outside director)	4 years and 9 months	Attended 10 of the 11 board of directors' meetings held during the fiscal year ended March 31, 2014.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a specialist in business administration which has been acquired through many years of involvement in academic activities.

Akio Mimura (outside director)	3 years and 9 months	Attended 9 of the 11 board of directors' meetings held during the fiscal year ended March 31, 2014.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Mikio Sasaki (outside director)	2 years and 9 months	Attended all 11 board of directors' meetings held during the fiscal year ended March 31, 2014.	He has fulfilled his supervisory functions by asking for detailed explanations and making remarks on a timely basis, based on his insight as a company manager which has been acquired through many years of experience in a management role.
Hiroshi Fukuda (outside audit & supervisory board member)	7 years and 9 months	Attended 10 of the 11 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2014.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience as a diplomat and as a Justice of the Supreme Court of Japan.
Yuko Kawamoto (outside audit & supervisory board member)	7 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2014.	She has fulfilled her audit functions by asking for detailed explanations and making remarks on a timely basis, based on her insight on business management which has been acquired through many years of experience as a consultant and involvement in academic activities.
Akinari Horii (outside audit & supervisory board member)	2 years and 9 months	Attended all 11 board of directors' meetings and all 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2014.	He has fulfilled his audit functions by asking for detailed explanations and making remarks on a timely basis, based on his insight acquired through many years of experience in his role as an executive or a regular employee of Bank of Japan.

Notes: 1. Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

2. Current term in office is the length of the term held as of March 31, 2014.

3. Description in the "Attendance of board meetings etc." and "Major activities including the remarks made at board meetings etc." includes matters in connection with the audit & supervisory board meetings as well as the board of directors' meetings.

4. All of the 11 board of directors' meetings held during the fiscal year ended March 31, 2014 were ordinary meetings. All of the 11 audit & supervisory board meetings held during the fiscal year ended March 31, 2014 were ordinary meetings.

(3) Limitation of Liability

Name	Outline of the contract to limit liability

Kunio Ito (outside director) Akio Mimura (outside director) Mikio Sasaki (outside director) Hiroshi Fukuda (outside audit & supervisory board member) Yuko Kawamoto (outside audit & supervisory board member) Akinari Horii (outside audit & supervisory board member)	In accordance with the provisions of Article 427, paragraph 1 of the Companies Act of Japan, the Company has entered into an agreement with the persons listed in this table to limit their liability provided for in Article 423, paragraph 1 of the Companies Act of Japan. The limitation of liability under the agreement is the higher of either 10 million yen or the amount provided in Article 425, paragraph 1 of the Companies Act of Japan.

Note: Outside directors and outside audit & supervisory board members qualify as outside directors and outside company auditors defined by Article 2, paragraph 3, item 5 of the Enforcement Regulations of the Companies Act of Japan.

(4) Remuneration and Other Compensation

	Number of persons to receive remuneration and other compensation	Remuneration received from the insurance holding company	Remuneration received from the parent company, etc. of the insurance holding company
Total amount of remuneration and other compensation	6 persons	61 million yen	-

Notes: 1. Of the "Remuneration received from the insurance holding company," remuneration in connection with share acquisition rights was 7 million yen.

2. The breakdown of the remuneration is as follows.
   - Outside directors: 3 persons, 31 million yen
   - Outside audit & supervisory board members: 3 persons, 29 million yen

(5) Comments of Outside Directors and Outside Audit & Supervisory Board Members

None.

4. Matters Concerning Common Share

(1) Number of Shares (As of March 31, 2014)

Total number of shares authorized to be issued: 3,300,000 thousand shares

Total number of the issued shares: 769,524 thousand shares (including 2,306 thousand treasury shares)

(2) Total Number of Shareholders (As of March 31, 2014)

87,685

(3) Major shareholders (As of March 31, 2014)

Shareholders	Capital contribution to the Company	
	Number of shares held	Ratio of shares held
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust Account)	40,227	5.2

Japan Trustee Services Bank, Ltd. (Trust Account)	34,293	4.5
Meiji Yasuda Life Insurance Company	15,779	2.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,695	2.0
The Bank of New York Mellon SA / NV 10	12,620	1.6
State Street Bank and Trust Company 505225	12,541	1.6
Mitsubishi Heavy Industries, Ltd.	11,998	1.6
Tokai Nichido Employee Stock Ownership Plan	11,125	1.5
Moxley and Co LLC	11,100	1.4
JP Morgan Chase Bank 385632	11,071	1.4

Notes: 1. Moxley and Co LLC is the corporate nominee holder of common share deposited for the issuance of ADRs.

2. The ratio of shares held is calculated after deducting 2,306 thousand treasury shares held by the Company.

(Composition ratio by type of shareholders)

Financial institutions:	34.0%
Financial instruments firms:	1.7%
Other domestic companies:	8.4%
Foreign companies:	42.7%
Individuals and others:	13.2%

(The number of outstanding shares as of March 31, 2014: 769,524 thousand shares)

5. Matters Concerning Share Acquisition Rights

The following table sets forth the status and outlines of the share acquisition rights issued by the Company to directors, audit & supervisory board members, and executive officers of Tokio Marine Holdings and its major subsidiaries as remuneration for the performance of their respective duties as of March 31, 2014:

	Number of share acquisition rights (as of March 31, 2014)	Class and number of shares underlying share acquisition rights (as of March 31, 2014)	Amount payable at issuance	Amount to be paid upon exercise of share acquisition rights	Exercise period
July 2005 Share Acquisition Rights	18	9,000 common shares	-	1 yen per share	30 years from the allotment of the share acquisition rights
July 2006 Share Acquisition Rights	21	10,500 common shares	2,013,506 yen		

July 2007 Share Acquisition Rights	171	17,100 common shares	491,700 yen		
August 2008 Share Acquisition Rights	315	31,500 common shares	353,300 yen		
July 2009 Share Acquisition Rights	825	82,500 common shares	237,600 yen		
July 2010 Share Acquisition Rights	1,152	115,200 common shares	234,400 yen		
July 2011 Share Acquisition Rights	1,410	141,000 common shares	219,500 yen		
July 2012 Share Acquisition Rights	1,984	198,400 common shares	181,900 yen		
July 2013 Share Acquisition Rights	2,021	202,100 common shares	332,600 yen		

Notes: 1. All share acquisition rights are issued by the Company pursuant to a stock-linked compensation plan.

2. The July 2005 Share Acquisition Rights were issued with especially favorable terms to directors, audit & supervisory board members, and executive officers, pursuant to Articles 280-20 and 280-21 of the former Commercial Code.

3. Share acquisition rights issued from July 2006 through July 2013 were allotted to directors, audit & supervisory board members, and executive officers to settle their cash remuneration claims against their respective companies, pursuant to Article 238, paragraphs 1 and 2 and Article 240 of the Companies Act of Japan.

4. Share acquisition rights held by any of directors, audit & supervisory board members, and executive officers that he/she received in his/her capacity as a director, audit & supervisory board member, or executive officer of the relevant entity may only be exercised after he/she has retired from any position as a director, audit & supervisory board member, or executive officer of such entity.

(1) Share Acquisition Rights held by Directors and Audit & Supervisory Board Members of the Insurance Holding Company as of the End of the Fiscal Year

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Directors (except outside directors)		Outside Directors		Audit & Supervisory Board Members	
			Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights	Number of persons holding share acquisition rights	Number of share acquisition rights
July 2005 Share Acquisition Rights	1	500 common shares	-	-	-	-	1 person	1

July 2006 Share Acquisition Rights	4	2,000 common shares	-	-	-	-	1 person	4
July 2007 Share Acquisition Rights	45	4,500 common shares	1 person	16	-	-	3 persons	29
August 2008 Share Acquisition Rights	52	5,200 common shares	1 person	19	-	-	3 persons	33
July 2009 Share Acquisition Rights	96	9,600 common shares	1 person	33	1 person	6	3 persons	57
July 2010 Share Acquisition Rights	104	10,400 common shares	3 persons	48	2 persons	14	3 persons	42
July 2011 Share Acquisition Rights	130	13,000 common shares	5 persons	109	3 persons	21	-	-
July 2012 Share Acquisition Rights	214	21,400 common shares	6 persons	187	3 persons	27	-	-
July 2013 Share Acquisition Rights	201	20,100 common shares	7 persons	180	3 persons	21	-	-

Note: Directors and audit & supervisory board members of the Company who were also executive officers of the Company or directors or executive officers of the Company's major subsidiaries at the time of the issuance of the share acquisition rights have been allotted share acquisition rights in their capacity as directors or executive officers of these companies. The number of such share acquisition rights held by directors and audit & supervisory board members of the Company as of March 31, 2014 is as follows.

The July 2005 Share Acquisition Rights: 17
The July 2006 Share Acquisition Rights: 11
The July 2007 Share Acquisition Rights: 59
The August 2008 Share Acquisition Rights: 86
The July 2009 Share Acquisition Rights: 184
The July 2010 Share Acquisition Rights: 223
The July 2011 Share Acquisition Rights: 197
The July 2012 Share Acquisition Rights: 203
The July 2013 Share Acquisition Rights: 152

(2) Share Acquisition Rights Allotted to Employees, etc. during the Fiscal Year

	Number of share acquisition rights	Class and number of shares underlying share acquisition rights	Employees		Directors and employees of subsidiaries	
			Number of persons allotted share acquisition rights	Number of share acquisition rights	Number of persons allotted share acquisition rights	Number of share acquisition rights
July 2013 Share Acquisition Rights	1,668	166,800 common shares	4 persons	140	53 persons	1,528

Note: The number of employees' share acquisition rights described in the above table includes the number of share acquisition rights allotted to the employees of the Company who were also directors or executive officers of the Company's major subsidiaries at the time of the issuance of such share acquisition rights to settle their monetary remuneration claims accrued as consideration for their service in the respective companies. "Employees" in the above table are executive officers who are not directors of the Company.

6. Matters Concerning the Independent Auditor

(1) Independent Auditor (PricewaterhouseCoopers Aarata)

Name	Remuneration for the fiscal year ended March 31, 2014	Other matters
Designated Partners: Takashi Sasaki Susumu Arakawa Takashi Idesawa	114 million yen	Non-audit services (i.e., services other than those stipulated in Article 2, paragraph 1 of the Certified Public Accountants Law) provided to the Company by the independent auditor for a fee: accounting advisory service related to International Financial Reporting Standards (IFRS), etc.

Notes: 1. The audit engagement letter entered into between the Company and the independent auditor does not clearly distinguish between the remuneration for audit services required by the Companies Act of Japan and the remuneration for a part of audit services required by the Financial Instruments and Exchange Act of Japan for these services are practically inseparable.

2. The total amount of cash and other financial benefits payable to the independent auditor by the Company and its subsidiaries is 870 million yen.

(2) Limitation of Liability

None.

(3) Other matters Concerning the Independent Auditor

a. Policy regarding dismissals or decisions not to reappoint an independent auditor

The Company has adopted a policy regarding decisions on dismissing or not reappointing an independent auditor as described below.

The Audit & Supervisory Board shall consider dismissing or not reappointing an independent auditor if the independent auditor falls under any of the items of Article 340, paragraph 1 of the Companies Act of Japan or if there are any issues that question the suitability of the independent auditor. If the Audit & Supervisory Board concludes that the independent auditor should be dismissed or not be reappointed, the Board shall either dismiss the independent auditor by itself, or shall request the Board of Directors to submit a proposal to the General Meeting of Shareholders to dismiss or not to reappoint the independent auditor.

b. Audit of financial statements of major subsidiaries of the insurance holding company conducted by audit firms other than the independent auditor of the insurance holding company

The financial statements of overseas subsidiaries and affiliates are audited by audit firms overseas, including the member firms of PricewaterhouseCoopers which is affiliated with PricewaterhouseCoopers Aarata.

7. Basic Policy Regarding Persons Who Control the Company's Decisions on Financial Matters and Business Policies

None.

8. System to assure appropriate business operations

(1) Establishment and implementation of the internal control system

The Company’s “Basic Policies for Internal Control” guide the development of the group companies’ business administration, compliance, risk management, internal audit and other systems which comprise Tokio Marine Group’s internal controls. Through these initiatives, the Company aims to ensure appropriate operations and improve corporate value. The Company also monitors the establishment and implementation of internal controls on an annual basis, and the Board of Directors verifies these results based on the findings of the Internal Control Committee. Through this process, the Company continues to improve and strengthen our internal control systems.

(2) Basic Policies for Internal Control

1. System for ensuring proper operations within the Tokio Marine Group (the “Group”)

(1) Based upon the "Tokio Marine Group Corporate Philosophy", the Company, as the holding company presiding over the businesses of the Group, by establishing both the Group's basic policies for the administration of Group companies and a system of reporting to the Board of Directors, shall implement the Company's management system for all the Group companies.

- a. The Company shall administer the business of Group companies under its direct management (“Subsidiaries and Others”) by concluding business management agreements with them and through other means.
  - (a) The Company shall provide Subsidiaries and Others with the Group's basic policies that form the fundamentals of the Group's management strategies and the Company's management.
  - (b) Business strategies, business projects and other important plans by Subsidiaries and Others shall be subject to the Company's prior approval.
  - (c) Subsidiaries and Others shall report to the Company their initiatives based on the

Group's basic policies and the progress of their business plans.

b. The business management of Group companies other than Subsidiaries and Others shall, in principle, be made through Subsidiaries and Others.

(2) The Company shall establish the Group's basic policies for accounting, grasp its consolidated financial position and the Group companies' financial positions, and implement systems for obtaining approval from, and submitting reports to, shareholders and supervisory organizations and submitting tax returns to authorities in a proper manner.

(3) The Company shall establish the Group's basic policies for internal controls over financial reporting and implement systems for ensuring the appropriateness and reliability of financial reporting.

(4) The Company shall establish the Group's basic policies for disclosure, and implement systems for disclosing information on corporate activities in a timely and proper manner.

(5) The Company shall establish the Group's basic policies for management of intragroup transactions and implement systems for such transactions.

2. System for ensuring the execution of professional duties in accordance with applicable laws, regulations and the Articles of Incorporation

(1) The Company shall establish the Group's basic policies for compliance and implement compliance systems.

a. The Company shall establish a department supervising compliance.

b. The Company shall formulate the "Group Code of Conduct" and ensure that all directors and employees of the Group respect such code of conduct and give top priority to compliance in all phases of the Group's business activities.

c. The Company shall have Subsidiaries and Others prepare compliance manuals and widely promote compliance within the Group by means of training on laws, regulations, internal rules and other matters which all directors and employees of the Group must respect.

d. The Company shall establish reporting rules in the event of a violation of laws, regulations or internal rules within any of the Subsidiaries and Others and, in addition to usual reporting routes, set up hotlines (an internal whistle-blower system) to an internal and external organization and while keeping all directors and employees of the Group well informed as to the use of the system.

(2) The Company shall establish the Group's basic policies for the protection of customers' interests and maintain a customer-oriented policy in all phases of business in order to implement a system for the protection of customers' interests.

(3) The Company shall establish the Group's basic policies for information security management and implement such systems.

(4) The Company shall establish the Group's basic policies against antisocial factions and groups, and in association with lawyers, police and other professionals, implement its systems against such antisocial factions and groups, and respond to them in an organized and uncompromising manner by severing relationships with them and refusing unfair demands.

(5) The Company shall establish an internal audit department separate and independent of other departments, establish the Group's basic policies for internal audits of the Group and implement systems for efficient and effective internal audits within the Company and Group companies.

3. System for risk management

(1) The Company shall establish the Group's basic policies for risk management and implement risk management systems.

a. The Company shall establish a department supervising risk management.

b. The Company shall perform risk management by following the basic processes of risk identification, evaluation and control, contingency planning and assessment of outcomes through risk monitoring and reporting.

c. The Company shall have each of the Subsidiaries and Others perform risk management appropriate to its types of business and its risk characteristics.

(2) The Company shall establish the Group's basic policies for integrated risk management and perform quantitative risk management across the entire Group to maintain credit ratings and prevent bankruptcies.

(3) The Company shall establish the Group's basic policies for crisis management and implement systems for crisis management.

4. System for ensuring efficient execution of professional duties

(1) The Company shall formulate a medium-term management plan and an annual plan (including numerical targets, etc.) for the Group.

(2) The Company shall establish rules regarding the exercise of authority and construct an appropriate organizational structure for achieving its business purposes in order to realize efficient execution of operations through a proper division of responsibilities and a chain of command.

(3) The Company shall formulate rules for and establish a "Management Meeting", composed of directors, executive officers and other relevant persons, that shall discuss and report on important management issues.

(4) The Company shall establish an Internal Control Committee that shall formulate various basic policies and other measures concerning the Group's internal control systems, evaluate their progress, discuss how to improve them, and promote their implementation.

(5) The Company shall establish the Group’s basic policies for IT governance, and implement systems for achieving IT governance.

(6) The Company shall establish the Group's basic policies for personnel matters with a view to enhancing productivity and corporate value through comprehensive efforts to enhance employees' satisfaction and pride in their work and promoting fair and transparent personnel management linked with proper performance evaluation.

5. System for preserving and managing information concerning the execution of directors' duties

The Company shall establish rules for the preservation of documents and other materials. The minutes of important meetings and documents containing material information regarding the execution of duties by the directors and the executive officers shall be preserved and managed appropriately in accordance with such rules.

6. Matters concerning support personnel to the Audit & Supervisory Board Members and their independence from the directors

(1) The Company shall establish the Office of Audit & Supervisory Board under the direct control of the Audit & Supervisory Board Members for the purpose of supporting them in

the performance of their duties. Upon request of the Audit & Supervisory Board Members, the Company shall assign full-time employees having sufficient knowledge and ability to support the Members in the performance of their duties.

(2) Employees assigned to the Office of Audit & Supervisory Board shall perform duties ordered by the Audit & Supervisory Board Members and other work necessary for proceeding with audits, and such employees shall have the right to collect information necessary for audit purposes.

(3) Performance evaluations, personnel transfers and disciplinary action concerning such employees shall be made with the approval of the Audit & Supervisory Board Members (Full-time).

7. System of reporting to the Audit & Supervisory Board Members

(1) Directors and employees shall regularly report to the Audit & Supervisory Board Members on management, financial condition, compliance, risk management, internal audits and other matters, and in the event that they detect a material violation of laws, regulations or internal rules, or a fact likely to cause considerable damage to the Company, they shall immediately report thereof to the Audit & Supervisory Board Members.

(2) Directors and employees shall regularly report to the Audit & Supervisory Board Members on matters such as how the hot lines (the internal whistle-blower system) are used and important reports and consultations made.

8. Other systems for ensuring effective audits by the Audit & Supervisory Board Members

(1) The Audit & Supervisory Board Members shall attend meetings of the Board of Directors, have the right to attend "Management Meetings" and other important meetings and committees, and express their opinions.

(2) The Audit & Supervisory Board Members shall have the right to inspect at any time the minutes of important meetings and other important documents relating to decisions approved by directors and executive officers.

(3) Directors and employees shall, at any time upon the request of the Audit & Supervisory Board Members, explain matters concerning the execution of their duties.

(4) The Internal Audit Department shall strengthen its coordination with the Audit & Supervisory Board Members by assisting in the audit process and through other means.

9. Matters Concerning Accounting Advisers (*Kaikei Sanyo*)

None.

10. Other Matters

None.

Consolidated Balance Sheet as of March 31, 2014

(Yen in millions)

	As of March 31, 2014
Assets	
Cash and bank deposits	439,368
Call loans	270,931
Receivables under resale agreements	119,974
Receivables under security borrowing transactions	38,580
Monetary receivables bought	877,452
Money trusts	2,897
Securities	14,761,559
Loans	373,574
Tangible fixed assets	300,753
Land	142,344
Buildings	136,093
Construction in progress	1,748
Other tangible fixed assets	20,567
Intangible fixed assets	427,987
Software	17,130
Goodwill	250,196
Other intangible fixed assets	160,660
Other assets	1,263,916
Net defined benefit assets	1,595
Deferred tax assets	64,078
Customers' liabilities under acceptances and guarantees	30,379
Allowance for doubtful accounts	(25,048)
Total assets	18,948,000
Liabilities	
Insurance liabilities	13,591,573
Outstanding claims	1,975,880
Underwriting reserves	11,615,692
Corporate bonds	124,375
Other liabilities	1,855,409
Payables under security lending transactions	876,446
Other liabilities	978,962
Net defined benefit liabilities	221,921
Provision for retirement benefits for directors	37
Provision for employees' bonus	40,345
Reserve under special law	78,763
Price fluctuation reserve	78,763
Deferred tax liabilities	175,793
Negative goodwill	90,286
Acceptances and guarantees	30,379
Total liabilities	16,208,886
Net assets	
Shareholders' equity	
Share capital	150,000
Retained earnings	1,231,034
Treasury shares	(6,716)
Total shareholders' equity	1,374,318
Accumulated other comprehensive income	
Unrealized gains on securities, net of taxes	1,239,658
Deferred gains (losses) on hedge transactions	18,222
Foreign currency translation adjustments	106,510
Remeasurements of defined benefit plans	(25,946)
Total accumulated other comprehensive income	1,338,444
Share acquisition rights	1,891
Non-controlling interests	24,459
Total net assets	2,739,114
Total liabilities and net assets	18,948,000

Consolidated Statement of Income for the fiscal year ended March 31, 2014

(Yen in millions)

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Ordinary income	4,166,130
Underwriting income	3,411,595
Net premiums written	2,870,714
Deposit premiums from policyholders	103,678
Investment income on deposit premiums	54,014
Life insurance premiums	378,043
Other underwriting income	5,145
Investment income	659,548
Interest and dividends	305,816
Gains on money trusts	227
Gains on trading securities	3,750
Gains on sales of securities	108,134
Gains on redemption of securities	990
Investment gains on separate accounts	267,275
Other investment income	27,367
Transfer of investment income on deposit premiums	(54,014)
Other ordinary income	94,986
Amortization of negative goodwill	10,229
Other ordinary income	84,757
Ordinary expenses	3,891,743
Underwriting expenses	3,180,111
Net claims paid	1,550,225
Loss adjustment expenses	118,886
Agency commissions and brokerage	565,794
Maturity refunds to policyholders	237,751
Dividends to policyholders	311
Life insurance claims	295,959
Provision for outstanding claims	136,152
Provision for underwriting reserves	270,805
Other underwriting expenses	4,225
Investment expenses	71,254
Losses on sales of securities	18,790
Impairment losses on securities	1,467
Losses on redemption of securities	572
Losses on derivatives	28,992
Other investment expenses	21,432
Operating and general administrative expenses	627,908
Other ordinary expenses	17,075
Interest expenses	6,726
Losses on bad debts	132
Equity in losses of affiliates	1,080
Amortization of deferred assets under Article 113 of the Insurance Business Act	3,403
Other ordinary expenses	5,733
Deferred expenses under Article 113 of the Insurance Business Act	(4,607)
Ordinary profit	274,386

(Yen in millions)

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Extraordinary gains	3,314
Gains on disposal of fixed assets	2,987
Gains on changes in equity of subsidiaries and affiliates	29
Other extraordinary gains	296
Extraordinary losses	7,020
Losses on disposal of fixed assets	1,234
Impairment losses on fixed assets	980
Losses on changes in equity of subsidiaries and affiliates	5
Provision under special law	4,272
Provision for price fluctuation reserve	4,272
Losses on reduction of real estates	0
Other extraordinary losses	526
Income before income taxes and non-controlling interests	270,680
Income taxes - current	44,695
Income taxes - deferred	40,090
Total income taxes	84,786
Income before non-controlling interests	185,894
Non-controlling interests	1,779
Net income	184,114

Consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2014

(Yen in millions)

	Shareholders' equity			
	Share capital	Retained earnings	Treasury shares	Total shareholders' equity
Beginning balance as of April 1, 2013	150,000	1,088,315	(7,237)	1,231,078
Changes during the year				
Dividends		(44,110)		(44,110)
Net income		184,114		184,114
Purchase of treasury shares			(128)	(128)
Disposal of treasury shares		(142)	649	506
Changes in the scope of consolidation		3,925		3,925
Others		(1,068)		(1,068)
Net changes in items other than shareholders' equity				
Total changes during the year	-	142,719	520	143,239
Ending balance as of March 31, 2014	150,000	1,231,034	(6,716)	1,374,318

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Unrealized gains on securities, net of taxes	Deferred gains (losses) on hedge transactions	Foreign currency translation adjustments	Remeasurements of defined benefit plans			
Beginning balance as of April 1, 2013	1,172,896	21,921	(85,226)	-	1,763	20,749	2,363,183
Changes during the year							
Dividends							(44,110)
Net income							184,114
Purchase of treasury shares							(128)
Disposal of treasury shares							506
Changes in the scope of consolidation							3,925
Others							(1,068)
Net changes in items other than shareholders' equity	66,762	(3,699)	191,736	(25,946)	128	3,709	232,690
Total changes during the year	66,762	(3,699)	191,736	(25,946)	128	3,709	375,930
Ending balance as of March 31, 2014	1,239,658	18,222	106,510	(25,946)	1,891	24,459	2,739,114

(Note) “Others” consisted mainly of reclassification adjustments of deferred tax in accordance with accounting standards adopted by foreign consolidated subsidiaries, etc.

Notes to Consolidated Financial Statements

Significant matters related to consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 86 companies
Names of major consolidated subsidiaries:
Tokio Marine & Nichido Fire Insurance Co., Ltd.
Nisshin Fire & Marine Insurance Co., Ltd.
E.design Insurance Co., Ltd.
Tokio Marine & Nichido Life Insurance Co., Ltd.
Tokio Marine & Nichido Financial Life Insurance Co., Ltd.
Tokio Marine Millea SAST Insurance Co., Ltd.
Tokio Marine North America, Inc.
Philadelphia Consolidated Holding Corp.
Philadelphia Indemnity Insurance Company
First Insurance Company of Hawaii, Ltd.
Tokio Marine America Insurance Company
Delphi Financial Group, Inc.
SIG Holdings, Inc.
Safety National Casualty Corporation
Reliance Standard Life Insurance Company
Reliance Standard Life Insurance Company of Texas
Tokio Marine Kiln Group Limited
Kiln Underwriting Limited
Tokio Millennium Re (UK) Limited
Tokio Marine Underwriting Limited
Tokio Millennium Re AG
Tokio Marine Bluebell Re Limited
Tokio Marine Asia Pte. Ltd.
Asia General Holdings Limited
Tokio Marine Insurance Singapore Ltd.
Tokio Marine Life Insurance Singapore Ltd.
Tokio Marine Insurans (Malaysia) Berhad
Tokio Marine Life Insurance Malaysia Bhd.
Tokio Marine Seguradora S.A.
Tokio Marine Financial Solutions Ltd.

Beginning with the fiscal year ended March 31, 2014, Tokio Marine America Insurance Company is included in the consolidation due to an increase in materiality.
Tokio Marine West SAST Arrangements Co., Ltd. and 2 other companies are included in the consolidation from the fiscal year ended March 31, 2014 because these entities became subsidiaries of the Company through the formation as new companies.
Tokio Marine Brasil Seguradora S.A. which ceased to exist due to a merger with Tokio Marine Seguradora S.A. and Kiln Capital Plc which has been dissolved are excluded from the consolidation from the fiscal year ended March 31, 2014.
Kiln Group Limited was renamed Tokio Marine Kiln Group Limited as of January 2, 2014 and

Tokio Millennium Re Ltd. was renamed Tokio Millennium Re AG as of October 15, 2013.

(2) Names of major non-consolidated subsidiaries

Major subsidiaries:

Tokio Marine & Nichido Adjusting Service Co., Ltd.

Tokio Marine Capital Co., Ltd.

Reason the subsidiaries were excluded from the consolidation:

Each of these non-consolidated subsidiaries is small in scale in terms of total assets, sales, net income or loss for the period and retained earnings. As such non-consolidated subsidiaries are not considered to materially affect any reasonable determination as to the Group's financial condition and results of operations and are excluded from the consolidation.

2. Application of the equity method

(1) Number of affiliates accounted for by the equity method: 11 companies

Names of major affiliates accounted for by the equity method:

Edelweiss Tokio Life Insurance Company Limited

Effective from the fiscal year ended March 31, 2014, NAS Insurance Services, LLC is accounted for by the equity method because it has become an affiliate of the Company through the acquisition of voting rights.

(2) The non-consolidated subsidiaries (Tokio Marine & Nichido Adjusting Service Co., Ltd., Tokio Marine Capital Co., Ltd., etc.) and other affiliates (IFFCO-TOKIO General Insurance Co., Ltd., etc.) have not been accounted for by the equity method because these companies have had a minor effect on the Company's consolidated net income or loss for the period and retained earnings and are not considered material as a whole.

(3) The Company owns 30.1% of the total voting rights of Japan Earthquake Reinsurance Co., Ltd. through Tokio Marine & Nichido and Nisshin Fire. The Company does not consider Japan Earthquake Reinsurance Co., Ltd. to be its affiliate since it believes that it can not exert a significant influence on any policy making decisions of Japan Earthquake Reinsurance Co., Ltd.'s operations given the highly public nature of the company.

(4) With regard to any company accounted for by the equity method that has a different closing date from that of the consolidated financial statements, the financial statements of that company for its fiscal year are used for presentation in the consolidated financial results.

3. Closing date of consolidated subsidiaries

The closing date of the fiscal year for one of the domestic consolidated subsidiaries and 75 overseas consolidated subsidiaries is December 31. Since the differences in the closing dates do not exceed three months, the financial statements of the consolidated subsidiaries as of December 31 are used for presentation in the accompanying consolidated financial statements. As for any significant transactions taking place during the period between the subsidiaries' closing dates and the consolidated closing date, necessary adjustments are made for consolidation purposes.

4. Accounting policies

(1) Valuation of securities

a. Trading securities are valued by the mark-to-market method, with the costs of their sales being calculated on the moving-average method.

b. Bonds held to maturity are recorded by using the amortized cost method (straight-line method) based on the moving-average method.

c. Bonds earmarked for underwriting reserves are recorded by using amortized cost method (straight-line method) based on the moving-average method, in accordance with the Industry Audit Committee Report No. 21 “Temporary Treatment of Accounting and Auditing Concerning Securities Earmarked for Underwriting Reserve in Insurance Industry” issued by the Japanese Institute of Certified Public Accountants (the “JICPA”), November 16, 2000.

Following is a summary of the risk management policy concerning bonds earmarked for underwriting reserves.

In order to control interest rate fluctuation risks relating to assets and liabilities, Tokio Marine & Nichido Life divides their underwriting reserves into following subgroups: "dollar-denominated underwriting reserve for deferment period of individual annuity insurance (denominated in U.S. dollars) with floating cancellation refund linked with market interest rates", "underwriting reserve for deferment period of individual annuity insurance with floating interest rates", "underwriting reserve for lump sum deposit-type whole-life insurance denominated in U.S. dollars with floating interest rates", "underwriting reserve for lump sum deposit-type whole-life insurance with floating interest rates" and "underwriting reserve for lump sum deposit-type individual annuity insurance". Tokio Marine & Nichido Life maintains the policy to match the duration of underwriting reserves of each subgroup and bonds earmarked for the underwriting reserve within certain time range.

d. Other securities with fair value are recorded by the mark-to-market method based upon the market price on the closing date.

The total amount of unrealized gains/losses on such securities is directly added to net assets with costs of sales being calculated on the moving-average method.

e. Other securities for which the fair value cannot be measured reliably are recorded at cost determined by the moving-average method.

f. Investment in non-consolidated subsidiaries and affiliates that are not accounted for by the equity method are recorded at cost determined by the moving-average method.

g. Securities held in individually managed money trusts that are invested as trusted assets are recorded by the mark-to-market method.

(2) Valuation of derivative transactions

Derivative financial instruments are accounted for by the mark-to-market method.

(3) Depreciation method for tangible fixed assets

Depreciation of tangible fixed assets owned by the Company and its domestic consolidated subsidiaries is computed using the declining balance method. However, depreciation of buildings (excluding fixtures attached to such buildings, etc.) that were acquired on or after April 1, 1998 is computed using the straight-line method.

(4) Depreciation method for intangible fixed assets

Depreciation of intangible fixed assets procured through acquisitions of overseas subsidiaries is recorded over the period of time for which the Company expects such subsidiaries contribute to the Company, and in accordance with the form of such contribution.

(5) Accounting policies for significant reserves and allowances

a. Allowance for doubtful accounts
In order to provide for losses from defaults, domestic consolidated subsidiaries of the Company establish allowance for doubtful accounts in accordance with internal asset self-assessment and asset write-off rules as detailed below.

For claims against any debtor who has legally, technically, or substantially become insolvent (due to bankruptcy, special liquidation or suspension of transactions at draft clearinghouses, etc.), allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral or performance of applicable guarantees.

For claims against any debtor who is likely to become insolvent in the foreseeable future, allowance is calculated based on the amount of any such claim minus the amount expected to be collectible from disposal of collateral, performance of applicable guarantees or the relevant debtor himself, taking into consideration the overall solvency assessment of the relevant debtor.

For claims other than those described above, allowance is provided based on the amount of claims multiplied by the expected default rate, which is computed based on historical loan loss experience in certain previous periods.

In addition, all claims are assessed by the asset accounting department and the asset management department in accordance with the internal rules of asset self-assessment. Subsequently, the asset auditing department, which is independent from other asset-related departments, audits the results of assessment by the other asset-related departments. Allowance for doubtful accounts is recorded based on such assessment results and audits stated above.

b. Retirement benefit obligations for directors
Some domestic consolidated subsidiaries set aside a reserve for retirement benefits for their directors in the amount considered to be accrued as of the end of the fiscal year ended March 31, 2014, which is calculated in accordance with their internal remuneration regulations.

c. Provision for employees’ bonus
To provide for payment of bonuses to employees, the Company and its major consolidated domestic subsidiaries maintain reserves for employees' bonuses based on the expected amount to be paid.

d. Price fluctuation reserve
Domestic consolidated insurance subsidiaries maintain reserves under Article 115 of the Insurance Business Act in order to provide for possible losses or damages arising from fluctuation of share prices.

(6) Accounting for retirement benefit

a. Attribution method for projected retirement benefit obligations
In calculating retirement benefit obligations, attribution to the period ending March 31, 2014 is based mainly on point criteria.

b. Method to charge actuarial differences and prior service costs
Actuarial differences are charged to expenses in the subsequent fiscal year using the straight-line method over a certain term (5-14 years) within the average remaining years of service of the employees.

Prior service costs are charged to expenses in each subsequent fiscal year using the straight-line method over a certain term (7-14 years) within the average remaining years of service of the employees at the time when such costs were incurred.

(Changes in accounting policies)
Since the end of the fiscal year ended March 31, 2014, the Company has been applying the Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012; hereinafter the "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012; hereinafter the "Guidance on Retirement Benefits") (except for the provisions set forth in Clause 35 of Accounting Standard for Retirement Benefits and in Clause 67 of the Guidance on Retirement Benefits). The Company has changed its accounting method to post retirement benefit obligations less pension assets as net defined benefit assets or net defined benefit liabilities and posts an unrecognized actuarial difference and unrecognized prior service costs as net defined benefit assets or net defined benefit liabilities.

The application of the Accounting Standard for Retirement Benefits and the Guidance on Retirement Benefits is subject to the transitional accounting treatment set forth in Clause 37 of the Accounting Standard for Retirement Benefits, and an effect of the change is included in the remeasurements of retirement benefits in accumulated other comprehensive income at the end of the fiscal year ended March 31, 2014.

As a result, the company recorded 1,595 million yen in net defined benefit assets and 221,921 million yen in net defined benefit liabilities at the end of the fiscal year ended March 31, 2014. Also, accumulated other comprehensive income decreased by 25,946 million yen at the end of the fiscal year ended March 31, 2014.

(7) Accounting for consumption tax, etc.

The Company and its domestic consolidated subsidiaries account for consumption tax, etc. by the tax-excluded method. However, domestic consolidated insurance subsidiaries account for expenses such as operating and general administrative expenses by the tax-included method.

In addition, any non-deductible consumption tax, etc. incurred in connection with assets is included in other assets (as suspense payments) and is amortized over 5 years using the straight-line method.

(8) Accounting for significant lease transactions

Non-transferrable finance leases of the Company's domestic consolidated subsidiaries commencing prior to April 1, 2008 are accounted for as operating lease transaction.

(9) Hedge accounting

a. Interest rate

To mitigate interest rate fluctuation risks associated with long-term insurance policies, Tokio Marine & Nichido and Tokio Marine & Nichido Life conduct Asset Liability Management ("ALM") to control such risks by evaluating and analyzing financial assets and insurance liabilities simultaneously.

As for interest rate swap transactions that are used to manage such risks, Tokio Marine & Nichido and Tokio Marine & Nichido Life apply deferred hedge accounting to the swap transactions based upon the Industry Audit Committee Report No. 26, “Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry” (issued by the JICPA, September 3, 2002 - hereinafter called “Report No. 26”).
Effectiveness is not evaluated for hedge treatments that are believed to have high hedge effectiveness, because the Company groups hedged insurance liabilities with the interest rate swaps that are the hedge instruments, based on the period remaining for the instruments.

Any deferred gains as of the end of March 2003 that were calculated based on the Industry Audit Committee’s Report No.16, "Accounting and Auditing Treatments related to Adoption of Accounting for Financial Instruments in the Insurance Industry" (issued by the JICPA, March 31, 2000), which was applicable prior to the application of Report No. 26, are accounted for by Tokio Marine & Nichido using the straight-line method over the remaining hedging period (1-17 years). The accounting treatments for such deferred gains are based on the transitional measures in Report No. 26. Deferred gains under this treatment as of March 31, 2014 were 14,856 million yen and the amount accounted for in the consolidated financial statements for the fiscal year ended March 31, 2014 was 3,782 million yen.

b. Foreign exchange

With regard to some of Tokio Marine & Nichido’s currency swap transactions and currency forward transactions, which have been entered into for the purpose of hedging foreign exchange risk associated with assets denominated in foreign currencies, (a) fair value hedge accounting and/or (b) matching treatment are applied. The hedge effectiveness is not evaluated for hedging treatments that are believed to have high hedge effectiveness, such as in cases where hedging tools and hedged instruments share the same important characteristics.

Tokio Marine & Nichido applies deferred hedge accounting to foreign currency loans which hedge foreign exchange risk associated with equity in overseas subsidiaries. Hedge effectiveness is evaluated based on a comparison of the aggregate market fluctuation of the hedged instruments and hedging tools during the period from when the hedge was entered and ending at the time of the evaluation.

(10) Matters concerning amortization of goodwill and negative goodwill

Goodwill recognized as an asset on the consolidated balance sheet is amortized in the following manner. The goodwill in connection with Philadelphia Consolidated Holding Corp., Tokio Marine Kiln Group Limited, and Delphi Financial Group, Inc. is amortized over 20 years, 10 years, and 5 years, respectively, using the straight-line method. Other goodwill is amortized over 2 to 15 years using the straight-line method. Other goodwill in small amounts are amortized at one time.

Negative goodwill that arose on or before March 31, 2010 is recognized as a liability on the consolidated balance sheet and amortized over 20 years using the straight-line method.

(11) Accounting for deferred assets under Article 113 of the Insurance Business Act

The Company evaluated the amount of provisions for and amortization of deferred assets under Article 113 of the Insurance Business Act for E.design Insurance Co., Ltd. in accordance with applicable laws and regulations and the Articles of Incorporation of E.design Insurance Co., Ltd.

Additional Information

(Effects of changes in the corporate income tax rate)
Following the promulgation of the "Act for Partial Amendment of the Income Tax Act, etc." (Act No. 10, 2014) on March 31, 2014, the Special Reconstruction Corporation Tax was repealed effective from the fiscal year beginning on and after April 1, 2014.

As a result of this change, deferred tax liabilities (net of deferred tax assets) increased by 8,656 million yen. Also, income before income taxes and non-controlling interests increased by 2,583 million yen and net income decreased by 6,239 million yen.

Statutory effective tax rates applied to the Company and Tokio Marine & Nichido Fire Insurance Co., Ltd. are as follows:
a. Tax rates applied to the Company
- Before the change: 38.0%
- Fiscal years beginning on and after April 1, 2014: 35.6%

b. Tax rates applied to Tokio Marine & Nichido Fire Insurance Co., Ltd.
- Before the change: 33.2%
- Fiscal years beginning on and after April 1, 2014: 30.7%

Notes to consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets is 348,554 million yen, and deferred capital gain for tax purpose is 19,734 million yen.

2. Of all loans, the total amount of loans to borrowers in bankruptcy, past due loans, loans past due for three months or more, and restructured loans is 8,690 million yen. The breakdown is set forth below.

(1) The amount of loans to borrowers in bankruptcy is 393 million yen.

Loans that are past due for a certain period, or for other reasons, are generally placed on non-accrual status when substantial doubt is considered to exist as to the ultimate collectibility either of principal or interest ("Non-accrual status loans"; however, any part of bad debt written-off is excluded.).
Loans to borrowers in bankruptcy represent non-accrual status loans that fall within the definitions provided in Article 96, paragraph 1, subparagraph 3 (a) to (e) (maximum amount transferable to allowance for doubtful accounts) and subparagraph 4 of the Enforcement Ordinance of the Corporation Tax Law (Ordinance No. 97, 1965).

(2) The amount of past due loans is 1,800 million yen.

Past due loans are non-accrual status loans, other than those to borrowers in bankruptcy, and those on which interest payments are deferred in order to assist business restructuring of the borrowers.

(3) The amount of loans past due for three months or more is 49 million yen.

Loans past due for three months or more are defined as loans on which any principal or interests payments are delayed for three months or more from the date following the due date. Loans classified as loans to borrowers in bankruptcy and past due loans are excluded from this category.

(4) The amount of restructured loans is 6,446 million yen.

Restructured loans are loans on which concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of the maturity date, forgiveness of debt) are granted to borrowers in financial difficulties to assist them in their corporate restructuring by improving their ability to repay creditors. Restructured loans do not include loans classified as loans to borrowers in bankruptcy, past due loans or loans past due for three months or more.

3. The value of assets pledged as collateral totals 312,490 million yen in securities and 32,612 million yen in savings deposits. Collateralized debt obligations are held to the value of 100,595 million yen in outstanding claims, 71,568 million yen in underwriting reserve and 34,927 million yen in other debts (including foreign reinsurance related debts, etc.).

4. Of the commercial paper, etc. received in connection with repurchase agreements and others, those with the right to dispose by sale or rehypothecation have a fair value of 178,403 million yen and are wholly held by the Company.

5. Securities include securities lent under loan agreements of 994,801 million yen.

6. The outstanding balance of undrawn committed loans is as follows.

	(Yen in millions)
Total loan commitments	93,435
Balance of drawn committed loans	23,892
Undrawn loan commitments	69,543

7. The amount of both assets and liabilities for special account as prescribed in Article 118 of the Insurance Business Act totals 2,098,849 million yen.

8. Total investment in non-consolidated subsidiaries and affiliates is 104,271 million yen.

9. Tokio Marine & Nichido guarantees the liabilities of some of its subsidiaries. The balance of the guarantee to its subsidiaries as of March 31, 2014 is as follows:

	(Yen in millions)
Tokio Marine Compaňía de Seguros, S.A. de C.V.	2,522
Tokio Marine Pacific Insurance Limited	3,590
Tokio Marine Insurance (Thailand) Public Company Limited	7,925
Total	14,038

10. Other assets include 19,134 million yen of deferred assets under Article 113 of the Insurance

Business Act.

Notes to consolidated statement of income

1. Major components of business expenses

	(Yen in millions)
Agency commissions, etc.	470,141
Salaries	259,267

Business expenses consist of "Loss adjustment expenses", "Operating and general administrative expenses" and "Agency commissions and brokerage" as shown in the accompanying consolidated statement of income.

2. The Group recognized impairment losses on the following properties.

Purpose of use	Category	Location	Impairment loss (Yen in millions)			
			Land	Building	Others	Total
Properties for business use (insurance and nursing care services)	Buildings and others	3 properties including equipment attached to buildings in Yokohama-shi, Kanagawa	-	1	12	14
Idle or potential disposal properties	Land and buildings	9 properties including buildings in Kochi-shi, Kochi	730	235	-	966
Total			730	237	12	980

Classification of properties: (a) properties used for the insurance business and other businesses are grouped by each company in consolidation; and (b) other properties including properties for rent and idle or potential disposal properties and properties used for nursing care services are grouped based on their primary uses on an individual basis.

For certain consolidated subsidiaries, the total amount of projected future cash flows from properties for business use in their insurance and nursing care businesses fell below the book values of these properties. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write off as impairment losses in extraordinary losses. The Company has recorded the recoverable value of the relevant assets as a net sales price in the insurance business. However, such net sales price is a memorandum price because of the difficulty in making a reasonable estimate of the amount. The Company calculates the recoverable value of the relevant property in the nursing care services by discounting projected future cash flows at a rate of 6.0 percent.

Due mainly to decline in the real estate market, book values of some properties for idle or potential disposal properties fell below the recoverable values. Consequently, the Company wrote off the excess of the book values of such properties over the recoverable values and recognized any such write off as impairment losses in extraordinary losses. Recoverable values are the net sales price of each property. Net sales price is the market value assessed by real estate appraisers minus anticipated expenses for disposal of the relevant properties.
An impairment loss of 1,942 million yen, equivalent to the entire goodwill related to Edelweiss Tokio Life Insurance Company Limited, was recognized and recorded as "equity in losses of affiliates" under

ordinary expenses in the fiscal year ended March 31, 2014 in consideration of the current business environment.

Notes to consolidated statement of changes in shareholders' equity

1. Class and number of issued shares and treasury share

(Thousand shares)

	Number of shares as of April 1, 2013	Increase during the fiscal year ended March 31, 2014	Decrease during the fiscal year ended March 31, 2014	Number of shares as of March 31, 2014
Issued shares				
Common share	769,524	-	-	769,524
Total	769,524	-	-	769,524
Treasury share				
Common share	2,490	39	223	2,306
Total	2,490	39	223	2,306

Notes: 1. The increase of 39 thousand treasury shares is attributable to acquisition of shares constituting less than one unit of common share.

2. The decrease of 223 thousand treasury shares is primarily attributable to the allotments of shares in connection with exercises of share acquisition rights which decreased treasury share by 222 thousand.

2. Share acquisition rights (including those owned by the Company)

Category	Nature of share acquisition rights	Amount as of March 31, 2014 (Yen in millions)
The Company (parent company)	Share acquisition rights as share options	1,891

3. Dividends

(1) Amount of dividends

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders held on June 24, 2013	Common share	21,093	27.50	March 31, 2013	June 25, 2013
Meeting of the board of directors held on November 19, 2013	Common share	23,017	30.00	September 30, 2013	December 3, 2013

(2) Dividends of which the record date falls within the fiscal year ended March 31, 2014, and of which

the effective date falls on or after April 1, 2014.

The Company intends to obtain approval for the following dividend payment at the 12th Ordinary General Meeting of Shareholders to be held on June 23, 2014.

Resolution	Class of share	Total amount of dividends paid (Yen in millions)	Source of dividends	Amount of dividends per share (Yen)	Record date	Effective date
Ordinary general meeting of shareholders to be held on June 23, 2014	Common share	30,688	Retained earnings	40.00	March 31, 2014	June 24, 2014

Information on financial instruments

1. Qualitative information on financial instruments

The Group's core operation is its insurance business and it generally makes investments based on cash inflows mainly arising from insurance premiums. Investment assets are managed in two categories, which are "Assets backing insurance liabilities" corresponding to long-term insurance contracts such as deposit type insurance and annuity, and "Other".

With regard to "Assets backing insurance liabilities", ALM is applied in order to ensure future payments for maturity-refunds and claims. Through ALM, the Group aims to steadily maximize the value of surplus ("Investment assets" minus "Insurance liabilities") by controlling the interest rate risks to which insurance liabilities are exposed and by investing in instruments with some credit risks, mostly bonds with high credit ratings.

With regard to "Other", the Group works toward diversification of investments and improvement of investment efficiency in order to generate sustainable investment income, while maintaining liquidity for future claims payments.

In major consolidated subsidiaries, the risk management department, which is independent of trading departments, quantitatively and qualitatively controls risks in order to deal with such investment risks.

Through these approaches, the Group aims to minimize fluctuations in short-term gains and losses, increase investment income in order to maximize net asset value in the mid-to-long-term, and maintain financial soundness.

2. Fair value of financial instruments

The table below shows the fair value of financial instruments excluding unlisted shares and others without reasonably measured fair value as of March 31, 2014.

(Yen in millions)

		Carrying amount shown on balance sheet	Fair value	Difference
(1)	Cash and bank deposits	439,368	439,426	57
(2)	Call loans	270,931	270,931	-
(3)	Receivables under resale agreements	119,974	119,974	-
(4)	Receivables under security borrowing transactions	38,580	38,580	-
(5)	Monetary receivables bought	877,156	877,156	-
(6)	Money trusts	2,897	2,897	-
(7)	Securities			
	Trading securities	2,326,461	2,326,461	-
	Bonds held to maturity	2,972,787	3,207,068	234,280
	Bonds earmarked for underwriting reserves	161,101	167,423	6,321
	Available for sale securities	8,998,584	8,998,584	-
(8)	Loans	266,387		
	Allowance for doubtful accounts (*1)	-6,865		
		259,521	267,676	8,154
(9)	Corporate bonds (*2)	(124,375)	(126,101)	(1,725)
(10)	Payables under security lending transactions (*2)	(876,446)	(876,446)	-
(11)	Derivative assets and liabilities (*3)	14,725	14,725	-

(*1) Allowance for doubtful accounts earmarked for loans are deducted from the carrying amount.
(*2) Items in liabilities are shown with ( ).
(*3) Derivative assets and liabilities are presented on a net basis. Debits and credits arising from derivative transactions are netted.

Notes: 1. Valuation method for financial instruments

With regard to (1) Cash and bank deposits (excluding those defined as securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No.10)), (2) Call loans, (3) Receivables under resale agreements, and (4) Receivables under security borrowing transactions, the book value is deemed as the fair value since it is scheduled to be settled in a short period of time and the book value approximates the fair value.

Regarding (5) Monetary receivables bought and (7) Securities (including those in (1) Cash and bank deposits that are defined to be securities in "Accounting Standard for Financial Instruments" (ASBJ Statement No.10) and securities in (6) Money trusts that are invested as trust funds) with quoted market price, the quoted closing price is used for listed shares and the price of the over-the-counter transactions is used for bonds. For securities with no quoted market price, the net present value of the estimated future cash flows is applied as the fair value.

With regard to floating rate loans in (8) Loans, the book value is deemed as the fair value unless the borrower's credit standing has materially changed since the execution of the loan because interest rate changes will be timely reflected in the future cash flows and the book value approximates the fair value. For fixed rate loans, the fair value is measured as the net present value of estimated future cash flows. For loans where borrowers are insolvent or in bankruptcy proceedings, the estimated uncollectible debts are deducted from the carrying amount to get the fair value.

With regard to (9) Corporate bonds, the price of the over-the-counter transactions is the fair value.

With regard to (10) Payables under security lending transactions, the book value is deemed as the fair value because it is scheduled to be settled in a short period of time and the book value approximates the fair value.

With regard to (11) Derivative assets and liabilities with quoted market price, the quoted closing price is used as the fair value. For derivative assets and liabilities with no quoted market price, the net present value of the estimated future cash flows or the calculated price based on an option pricing model is applied as the fair value.

2. Unlisted shares and partnership investments comprised of unlisted shares (Carrying amount on the consolidated balance sheet: 301,690 million yen) are not included in (7) Securities because the fair value cannot be determined as they have no quoted market price and the future cash flow cannot be estimated.

   Policy loans (Carrying amount on the consolidated balance sheet: 107,186 million yen) are not included in (8) Loans because future cash flows cannot be estimated since it is arranged under insurance policy and the amount is limited within repayment fund for cancellation with no contractual maturity.

Information on investment property

1. Some of the consolidated subsidiaries hold office buildings and land mainly in Tokyo, Osaka and Nagoya, some of which are leased out.

2. Fair value of investment property

(Yen in millions)

Carrying amount shown on balance sheet as of March 31, 2014	Fair value as of March 31, 2014
77,269	135,190

Notes: 1. Carrying amount is the amount that the accumulated depreciation and the accumulated impairment losses are deducted from the acquisition cost.

2. Fair value as of March 31, 2014 is primarily based on appraisals by qualified external valuers.

Per share information

Net assets per share	3,535.84 yen
Net income per share	239.98 yen

Non-consolidated Balance Sheet as of March 31, 2014

(Yen in millions)

	As of March 31, 2014
Assets	
Current assets:	
Cash and bank deposits	7,693
Prepaid expense	0
Accounts receivable	13,511
Others	5
Total current assets	21,211
Fixed assets:	
Tangible fixed assets	
Buildings	154
Motor vehicles and transport equipment	11
Office equipment	31
Total tangible fixed assets	197
Intangible fixed assets	
Telephone right	0
Total intangible fixed assets	0
Investments and other assets	
Investments in subsidiaries and affiliates	2,456,564
Others	109
Total investments and other assets	2,456,673
Total fixed assets	2,456,871
Total assets	2,478,082
Liabilities	
Current liabilities:	
Accounts payable	473
Accrued expenses	282
Accrued income taxes	85
Accrued business office taxes	10
Accrued consumption taxes	70
Deposits received	20
Provision for employees' bonus	468
Total current liabilities	1,411
Fixed liabilities:	
Reserve for retirement benefit	170
Total fixed liabilities	170
Total liabilities	1,581
Net assets	
Shareholders' equity:	
Share capital	150,000
Capital surplus	
Additional paid-in capital	1,511,485
Total capital surplus	1,511,485
Retained earnings	
Other retained earnings	819,840
General reserve	332,275
Retained earnings carried forward	487,564
Total retained earnings	819,840
Treasury shares	-6,716
Total shareholders' equity	2,474,609
Share acquisition rights	1,891
Total net assets	2,476,501
Total liabilities and net assets	2,478,082

Non-consolidated Statement of Income for the fiscal year ended March 31, 2014

(Yen in millions)

	Year ended March 31, 2014 (April 1, 2013 to March 31, 2014)
Operating income:	
Dividends received from subsidiaries and affiliates	13,106
Fees received from subsidiaries and affiliates	6,336
Total operating income	19,442
Operating expenses:	
Operating and general administrative expenses	7,429
Total operating expenses	7,429
Operating profit	12,012
Non-operating income:	
Interest income	16
Gain on forfeiture of unclaimed dividends	45
Office work fee	11
Other non-operating income	0
Total non-operating income	74
Non-operating expenses:	
Miscellaneous expenses	3
Total non-operating expenses	3
Ordinary profit	12,083
Extraordinary gains:	
Gain on sales of fixed assets	0
Gain on sales of subsidiaries and affiliates' shares	296
Total extraordinary gains	296
Extraordinary losses:	
Losses on disposal of fixed assets	0
Total extraordinary losses	0
Income before income taxes	12,380
Income taxes-current	-4
Total income taxes	-4
Net income	12,384

Non-consolidated Statement of Changes in Shareholders' Equity for the fiscal year ended March 31, 2014

(Yen in millions)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Additional paid-in capital	Others	Other retained earnings			
				General reserve	Retained earnings carried forward		
Beginning balance as of April 1, 2013	150,000	1,511,485	-	332,275	519,432	-7,237	2,505,956
Changes during the year							
Dividends					-44,110		-44,110
Net income					12,384		12,384
Purchase of treasury shares						-128	-128
Disposal of treasury shares			-142			649	506
Transfer from retained earnings to capital surplus			142		-142		-
Net changes in items other than shareholders' equity							
Total changes during the year	-	-	-	-	-31,868	520	-31,347
Ending balance as of March 31, 2014	150,000	1,511,485	-	332,275	487,564	-6,716	2,474,609

	Share acquisition rights	Total net assets
Beginning balance as of April 1, 2013	1,763	2,507,720
Changes during the year		
Dividends		-44,110
Net income		12,384
Purchase of treasury shares		-128
Disposal of treasury shares		506
Transfer from retained earnings to capital surplus		-
Net changes in items other than shareholders' equity	128	128
Total changes during the year	128	-31,219
Ending balance as of March 31, 2014	1,891	2,476,501

Notes to Non-consolidated Financial Statements

Significant accounting policies

1. Valuation of securities

Investments in subsidiaries and affiliates are stated at cost determined by the moving-average method.

2. Depreciation for fixed assets

Depreciation of tangible fixed assets other than buildings (excluding fixtures attached to buildings) is computed using the declining-balance method principally over the following useful lives. Depreciation of buildings (fixtures facilities attached to buildings) is computed using the straight-line method.

Fixtures attached to buildings	8 to 18 years
Equipment and furniture	3 to 15 years

3. Reserve

(1) To provide for payment of bonus to employees, the Company maintains a reserve for employees' bonus based on the expected amount to be paid.

(2) To provide for employees' retirement benefit payment, the Company maintains a reserve for employee's retirement benefits equal to the amount deemed to have incurred as of the end of the fiscal year ended March 31, 2014.

4. Consumption taxes

Consumption taxes and local consumption taxes are accounted for by the tax-excluded method.

Notes to the non-consolidated balance sheet

1. Accumulated depreciation of tangible fixed assets: 214 million yen

2. Monetary claims against and debts owed to affiliates:

Monetary claims receivables	1,664 million yen
Debts payable	283 million yen

3. Debts payable to directors and audit & supervisory board members:

Debts payable	6 million yen

Notes to the non-consolidated statement of income

Transactions with affiliates:

Operating transactions

Operating income	19,442 million yen
Operating expenses	1,239 million yen
Transactions other than operating transactions	51,618 million yen

Notes to the statement of changes in shareholders' equity

Class and number of treasury share held by the Company as of March 31, 2014:

Common share	2,306,514 shares

Deferred tax accounting

Major components of deferred tax assets:

Deferred tax assets	
Impairment losses on investment in subsidiaries and affiliates	33,641 million yen
Others	955 million yen
Subtotal	34,596 million yen
Valuation allowance	-34,596 million yen
Total deferred tax assets	- million yen
Net deferred tax assets	- million yen

Notes on transactions with related parties

(Yen in millions)

Category	Company name	Percentage of voting rights held	Relationship	Transaction description	Transaction amount	Item	Balance at end of fiscal year
Subsidiary	Tokio Marine & Nichido	100% held directly	Overlapping management and Business administration	Receipt of business administration fee	4,601	-	-
				Contributions in kind	47,717	-	-

Terms and conditions and corresponding decision-making policies for these transactions:

Notes: 1. The Company shall determine the amount of management fees that it receives based on management contracts between the Company, subsidiaries and affiliates, and discussion with the relevant entity.
2. Contributions in kind consist of the shares of a subsidiary, which were worth 47,717 million yen.

Per share information

Net assets per share	3,225.43 yen
Net income per share	16.14 yen

Copy of Independent Auditor’s Report on Consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 16, 2014

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Susumu Arakawa, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, CPA
Designated Partner and Engagement Partner

We have audited, in accordance with Article 444, paragraph 4 of the Companies Act of Japan, the consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for the fiscal year that began on April 1, 2013 and ended on March 31, 2014. These financial statements consist of a consolidated balance sheet, a consolidated statement of income, a consolidated statement of changes in shareholders' equity and notes to consolidated financial statements.

Management's responsibility for the financial statements:
It is the Management’s responsibility to prepare consolidated financial statements based on accounting principles generally accepted in Japan and to present these statements appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the consolidated financial statements without material misstatement resulting from fraud or error.

Auditor's responsibility:
It is our responsibility to express an opinion on the consolidated financial statements based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the consolidated financial statements. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the consolidated financial statements resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the consolidated financial statements. An audit includes assessing the accounting principles used by management, including how they are applied, and the estimates made by management, as well as examining the overall presentation of the consolidated financial statements. We believe that our audit provides a sufficient and appropriate basis for our opinion.

Audit opinion:
In our opinion, the foregoing consolidated financial statements present fairly, in all material respects, the financial position and the results of operations of the Company and its consolidated subsidiaries for the period covered by the aforementioned financial statements in conformity with accounting principles generally accepted in Japan.

Highlighted Items:
As described in the Significant matters related to consolidated financial Statements, since the end of the fiscal year ended March 31, 2014, the Company has been applying the Accounting Standard for Retirement Benefits (ASBJ Statement No.26, May 17, 2012; hereinafter the "Accounting Standard for Retirement Benefits") and the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25, May 17, 2012; hereinafter the "Guidance on Retirement Benefits") (except for the provisions set forth in Clause 35 of Accounting Standard for Retirement Benefits and in Clause 67 of the Guidance on Retirement Benefits). The Company has changed its accounting method to post retirement benefit obligations less pension assets as net defined benefit assets or net defined benefit liabilities and posts an unrecognized actuarial difference and unrecognized prior service costs as net defined benefit assets or net defined benefit liabilities. Such applications have no effect on our opinion.

Conflict of interest:
Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of Independent Auditor's Report on Non-consolidated Financial Statements

[English Translation]

Independent Auditor's Report

May 16, 2014

To the Board of Directors
Tokio Marine Holdings, Inc.

PricewaterhouseCoopers Aarata

Takashi Sasaki, CPA
Designated Partner and Engagement Partner
Susumu Arakawa, CPA
Designated Partner and Engagement Partner
Takashi Idesawa, CPA
Designated Partner and Engagement Partner

We have audited, in accordance with Article 436, paragraph 2, item 1 of the Companies Act of Japan, the non-consolidated financial statements of Tokio Marine Holdings, Inc. (the "Company") for its 12th fiscal year that began on April 1, 2013 and ended on March 31, 2014. These financial statements consist of a non-consolidated balance sheet, a non-consolidated statement of income, a non-consolidated statement of changes in shareholders' equity, notes to non-consolidated financial statements, and supplementary schedules.

Management's responsibility for the financial statements:
It is the Management's responsibility to prepare non-consolidated financial statements and supplementary schedules based on accounting principles generally accepted in Japan and to present these statements and supplemental schedules appropriately. This includes establishing and implementing internal control systems that Management deems necessary to prepare and present the non-consolidated financial statements and supplementary schedules without material misstatement resulting from fraud or error.

Auditor's responsibility:
It is our responsibility to express an opinion on the non-consolidated financial statements and supplementary schedules based on our audit as an independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that, in order to obtain reasonable assurance about whether the non-consolidated financial statements and supplementary schedules are free of material misstatement, we formulate an audit plan and conduct an audit in accordance therewith.

An audit includes procedures to obtain audit evidence in relation to the amounts and disclosures in the non-consolidated financial statements and supplementary schedules. We select and apply audit procedures based on our judgment and in accordance with a risk evaluation for material misstatement in the non-consolidated financial statements and supplementary schedules resulting from fraud or error. Although the purpose of our audit is not to express an opinion on the effectiveness of internal control systems, when conducting the risk evaluation to determine the proper audit procedures we do review the internal control systems for the preparation and appropriate presentation of the non-consolidated financial statements and supplementary schedules. An audit includes assessing the accounting principles used by management, including how they are applied, and the estimates made by management, as well as examining the overall presentation of the non-consolidated financial statements and supplementary schedules. We believe that our audit provides a sufficient and appropriate basis for our opinion.

<u>Audit opinion</u>:
In our opinion, the foregoing non-consolidated financial statements and supplementary schedules present fairly, in all material respects, the financial position and the results of operations of the Company for the period covered by the aforementioned financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

<u>Conflict of interest</u>:
Our firm and engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Copy of the Audit Report of the Audit & Supervisory Board

Audit Report

Based on the audit reports received from each audit & supervisory board member relating to the performance by the Company's directors of their duties during the fiscal year that began on April 1, 2013 and ended on March 31, 2014 and after consultations amongst our members, we, the undersigned Audit & Supervisory Board, report as follows:

1. Details of the Methodology of the Audit Performed by Audit & Supervisory Board Members

The Audit & Supervisory Board who has set the auditing policies, the auditing schedules and related matters, received from each audit & supervisory board member audit reports detailing the performance of each audit & supervisory board member in audits and the results thereof. The Audit & Supervisory Board also received from each of the Company's directors and the Company's independent auditor reports detailing the performance of their duties and asked for further explanation whenever necessary.

Each audit & supervisory board member, pursuant to the auditing standards, the auditing policies and the auditing schedules set by the Audit & Supervisory Board, maintained good communications with directors, the internal audit department and other employees; committed themselves to gathering information and improving the circumstances of the audit; attended meetings of the Board of Directors and other important meetings; received reports detailing the performance of their duties from directors and other employees; asked for further explanations whenever necessary and inspected important decision-making documents and thereby investigated the Company's business activities and financial position.

In addition, pursuant to the auditing standards set by the Audit & Supervisory Board for an audit of the internal control system, each audit & supervisory board member examined the details of the resolution of the meeting of the Board of Directors concerning (a) a governance framework to ensure that the directors' performance of their duties are carried out in conformity with the laws and the Articles of Incorporation; and (b) any other governance framework to ensure appropriate business operations, as set forth in Article 100, paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act of Japan. Each of the audit & supervisory board members also monitored and examined the governance framework (internal control system) which was implemented by the Board of Directors based on the aforementioned resolution. Concerning the internal control over financial reporting, each audit & supervisory board member received from directors and PricewaterhouseCoopers Aarata reports regarding the results of the assessment and audit on the internal control over financial reporting and asked for further explanations whenever necessary.

As for subsidiaries of the Company, each audit & supervisory board member maintained good communications and facilitated information sharing with directors, audit & supervisory board members, the internal audit department and other employees of the subsidiaries and received reports regarding the business activities of the subsidiaries whenever necessary.

We examined the business report included in this notice of convocation as well as the supplementary schedules thereto for the fiscal year ended March 31, 2014 based on the aforesaid methods of audit.

Furthermore, each audit & supervisory board member monitored and examined whether the Company's independent auditor maintained independence from the Company and performed the audit adequately, received from the Company's independent auditor a report concerning the performance of that auditor's duties and asked for further explanations whenever necessary.

Additionally, each audit & supervisory board member received a notice from the Company's independent auditor stating that "a framework to ensure that independent auditors' performance of duties are carried out properly" (consisting of matters enumerated in the items of Article 131 of the Regulations for Financial Statements of Corporations) is established pursuant to "Quality Management Standards Regarding Audits" (Corporate Accounting Council, October 28, 2005) and addressing other standards concerned, and asked for further explanations whenever necessary.

Based on the methodology of the audit described above, we examined the non-consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) and the supplementary schedules thereto, and the consolidated financial statements (balance sheet, statement of income, statement of changes in shareholders' equity and notes thereto) for the fiscal year ended March 31, 2014.

2. Results of Audit

(1) Results of the audit of the business report and others

(a) We found the business report and the supplementary schedules to present fairly the state of the Company in accordance with applicable laws and regulations and the Articles of Incorporation of the Company.

(b) In connection with the performance by directors of their duties, we found no dishonest act or violation of applicable laws, regulations or the Articles of Incorporation of the Company.

(c) We found the resolution of the meeting of the Board of Directors with respect to the internal control system to be appropriate. In addition, we have nothing to report on the directors' performance of their duties in connection with the internal control system, including the internal control over the financial reporting.

(2) Results of the audit of the non-consolidated financial statements and the supplementary schedules thereto

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata, to be appropriate.

(3) Results of the audit of the consolidated financial statement

We found the methodologies and the results of the audit conducted by the independent auditors, PricewaterhouseCoopers Aarata, to be appropriate.

May 19, 2014

Audit & Supervisory Board,
Tokio Marine Holdings, Inc.

Toshiro Yagi, Audit & Supervisory Board Member (Full-time)
Toshiki Ohashi, Audit & Supervisory Board Member (Full-time)
Hiroshi Fukuda, Audit & Supervisory Board Member
Yuko Kawamoto, Audit & Supervisory Board Member
Akinari Horii, Audit & Supervisory Board Member

Note: Mr. Hiroshi Fukuda, Ms. Yuko Kawamoto and Mr. Akinari Horii are the outside audit & supervisory board members, fulfilling the position prescribed by Article 2, item 16 of the Companies Act of Japan.